

Message Text

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ACTION EUR-25

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TAGS: ETRD, OECD

SUBJECT: OECD TRADE COMMITTEE (TC): PREPARATION FOR
FEB. 27-28 MEETING

1. SUMMARY. AT PRE-TC BRIEFING OF TC CHAIRMAN HERMES
BY SECRETARIAT (POINCILIT) AND TCWP CHAIRMAN (STRONGMAYER)
IN BONN FEB. 20, DISCUSSION CENTERED ON POSSIBLE TC
CONCLUSIONS OR DECISIONS ON MAIN AGENDA ITEMS. END
SUMMARY.

2. INFORMAL DISCUSSION OF IMPLICATIONS FOR TRADE
POLICY OF ENERGY SITUATION. HERMES FELT THAT THIS ITEM
WOULD ATTRACT MOST INTEREST AT TC MEETING AND HOPED THAT
DISCUSSION MIGHT LEAD TO CONSTRUCTIVE CONCLUSIONS OR
DECISIONS. AFTER CONSIDERATION OF VARIOUS POSSIBILITIES,
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HERMES LEANED STRONGLY TOWARD URGING TC TO AGREE TO

CONCLUSIONS ALONG FOLLOWING LINES; A) DECLARATION OF INTENTION TO MAINTAIN CURRENT LEVEL OF TRADE LIBERALIZATION; B) KEEP UP MOMENTUM FOR FURTHER SUBSTANTIAL TRADE LIBERALIZATION IN MTN; C) AVOID ARTIFICIAL INCENTIVES OR IMPEDIMENTS TO EXPORTS OR IMPORTS; D) IN ORDER TO TAKE FULLY INTO ACCOUNT INTERESTS OF TRADING PARTNERS, COUNTRIES CONTEMPLATING INTRODUCTION OF GOVERNMENTAL MEASURES IN TRADE FIELD WOULD AGREE TO ENGAGE IN PRIOR CONSULTATIONS IN FRAMEWORK OF TC ON MEASURES ENVISAGED. HERMES RECOGNIZED THAT THERE MIGHT BE RESISTANCE FROM SOME MEMBER COUNTRIES TO ONE OR MORE OF FOREGOING POINTS, BUT NONETHELESS HE FELT THAT CONCLUSIONS ALONG THOSE LINES WERE WHAT CURRENT SITUATION REQUIRED. THEY COULD BE USEFUL TO MEMBER GOVERNMENTS IN FENDING OFF PRESSURES FOR SPECIAL TREATMENT AT HOME AND IN STRIKING POSITIVE PSYCHOLOGICAL NOTE TO COUNTER BEARISH TENDENCIES IN INTERNATIONAL ECONOMY. HE WAS REASONABLY CONFIDENT THAT FRG AND OTHER FREE TRADE ORIENTED MEMBERS OF TC WOULD SUPPORT SUCH CONCLUSIONS AND POSSIBLY WISH TO MAKE THEM PUBLIC AT CONCLUSION OF TC MEETING. IN CAPACITY AS TCWP CHAIRMAN, STROMAYER ASSISTED IN ELABORATING FOREGOING IDEAS AND EXPRESSED PERSONAL HOPE TC WOULD SUPPORT THEM.

3. BILATERAL TRADE AGREEMENTS. POINCILIT NOTED THAT SENIOR OECD SECRETARIAT OFFICIALS INCLUDING SEC GEN VAN LENNEP WERE DEEPLY CONCERNED ABOUT CURRENT TENDENCIES TOWARD BILATERAL DEALS AS POTENTIALLY SERIOUS DEPARTURE FROM MULTILATERALISM WITH ATTENDANT DISTORTIONS AND DISCRIMINATION THEY IMPLY. WHILE RECOGNIZING THAT THIS IS DELICATE AND HIGHLY CHARGED POLITICAL ISSUE, POINCILIT HOPED NONCONTROVERSIAL WAY COULD BE FOUND FOR TC TO CONSIDER IT. ONE DIFFICULTY WAS PAUCITY OF INFORMATION ABOUT SCOPE, CONTENT AND PROVISIONS OF BILATERAL DEALS ALREADY CONCLUDED AND THOSE CURRENTLY BEING NEGOTIATED. MORE INFORMATION COULD BE OBTAINED IF MEMBER COUNTRIES WOULD REPORT THEIR CONTENT AND PROVISIONS UNDER STANDARD TC NOTIFICATION PROCEDURES. POINCILIT FELT A SUGGESTION TO THIS EFFECT MIGHT BE MADE AT TC MEETING EITHER BY LIMITED OFFICIAL USE

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SECRETARIAT OR MEMBER COUNTRY DEL. HE WILL EXPLORE POSSIBILITIES. IT WAS AGREED THAT IN CURRENT CLIMATE IT WOULD BE UNCOMFORTABLE FOR CHAIRMAN HERMES TO MAKE SUGGESTION.

4. GOVERNMENT PURCHASING. HERMES RECOGNIZED IMPORTANCE OF GOOD POLICY LEVEL DISCUSSION OF GOVERNMENT PURCHASING BY TC I HOPE OF BRINGING ABOUT GREATER

CONVERGENCE OF VIEWS AMONG KEY DELS AND BECAUSE OF
THE RELATIONSHIP PROGRESS ON GOVERNMENT PURCHASING HAD
TO MOVEMENT ON OTHER IMPORTANT NTBS IN MTN.

5. SAFEGUARDS. CONCENSUS WAS THAT DISCUSSION SAFE-
GUARDS WOULD BE BRIEF BOTH BECAUSE OF TIME LIMITATION
AND PROBABLE RELUCTANCE OF EC TO PURSUE CONSULTATIONS
MUCH FURTHER AT THIS STAGE. POSSIBLE TC CONCLUSIONS
AT END OF DISCUSSION WERE A) DIRECT SECRETARIAT TO
MODIFY TC (74)3 IN LIGHT OF TC DISCUSSION; B) AGREE
THAT TC SHOULD HAVE FULL DISCUSSION OF PAPER AT ITS
NEXT MEETING; C) DIRECT TCWP TO REVIEW AND MODIFY
TC(74)3 TO BRING IT MORE FULLY INTO ACCORD WITH MEMBER
COUNTRY VIEWS AS EXPRESSED TO DATE IN XCSS AND TC.
ALTERNATIVE C ABOVE WOULD SEEM CORRESPOND OST CLOSELY
WITH US INTERES IF WE WISH TO CONTINUE FURTHER
ELABORATION AND SORTING OUT OF SAFEGUARD ISSUES IN
OECD.
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